

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DG 20-013

**RESIDENTIAL LOW INCOME ASSISTANCE PROGRAM
FOR NATURAL GAS CUSTOMERS**

Consideration of Program Design Changes

ORDER OF NOTICE

On January 23, 2020, Commission Staff (Staff) filed a staff recommendation, proposing that the Commission open a generic docket to consider changes to the residential low income assistance program for natural gas customers (RLIAP), consistent with the Commission's prior ruling in a utility rate case that a new docket be opened to consider changes to the RLIAP. *See Liberty Utilities (EnergyNorth Natural Gas) Cor. d/b/a Liberty Utilities* Order No. 26,122 at 50 (April 27, 2018). Staff further recommended that New Hampshire's two gas utilities be added as mandatory parties. The staff recommendation and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted at <https://www.puc.nh.gov/Regulatory/Docketbk/2020/20-013.html>.

The RLIAP provides savings to qualified natural gas customers of Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (Liberty) and Northern Utilities, Inc. (Northern). As originally conceived in 2005, qualifying customers were expected to see overall bill savings of approximately 15 percent, with the cost of the program to be recovered from all customers through the local distribution adjustment clause (LDAC). *See New Hampshire Natural Gas Utilities* Order 24,508 at 13 (September 1, 2005). The overall bill savings were expected to be achieved through a 50 percent discount on each utility's residential heating delivery service base rates for qualifying customers. *Id.* In 2006, the discount rate was increased

to 60 percent to increase savings for customers; for EnergyNorth RLIAP customers from 12.8 percent to 15.4 percent, and for Northern RLIAP customers from 14.7 percent to 17.6 percent. Order No. 24,669 at 5 (September 22, 2006). The 60 percent discount rate was also anticipated to result in program costs that would be 0.71 percent of EnergyNorth's gross revenues and 0.31 percent of Northern's gross revenues. *Id.*

In its recommendation, Staff explained that in Liberty's and Northern's 2017 rate cases, Staff's analysis of the utilities' RLIAP Quarterly Report revealed overall bill savings of 33 percent for Liberty and 35 percent for Northern, with corresponding program costs of 1.34 percent and 0.59 percent, respectively. Thus, the overall bill savings for low income customers have nearly doubled, as has the cost of the program from what was anticipated in the 2005 pilot program and the 2006 program continuation. Staff believes that RLIAP should be redesigned to bring the program back in line with the original program parameters. Staff noted this undertaking will permit the parties to explore improvements and potentially increased program efficiency.

When Staff first raised these concerns with the Commission in Docket No. DG 17-048, a Liberty rate case, the Commission declined to make any changes to the RLIAP in that docket, and ruled that a separate docket be opened to consider changes to the RLIAP. Order No. 26,122 at 50. The Commission finds Staff's request to open a generic docket to consider changes to the RLIAP, and Staff's further request to make both Liberty and Northern mandatory parties, reasonable.

The filing raises, inter alia, issues related to RSA 374:1-3, RSA 374:7, and RSA 378:7, including the justness and reasonableness of RLIAP base rate discounts and RLIAP overall bill savings; whether RLIAP can be more efficient, effective, or otherwise improved to achieve

program goals; and whether the original program design remains appropriate in light of current market conditions. Each party has the right to have an attorney represent the party at the party's own expense.

Based upon the foregoing, it is hereby

ORDERED, that a prehearing conference, pursuant to N.H. Admin. R., Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on Friday, March 13, 2020, at 10:00 a.m., at which each party will provide a preliminary statement of its position with regard to the staff recommendation and any of the issues set forth in N.H. Admin. R., Puc 203.15; and it is

FURTHER ORDERED, that, immediately following the prehearing conference, Northern and Liberty, the Staff of the Commission, and any intervenors hold a technical session to review the staff recommendation and consider changes to the RLIAP; and it is

FURTHER ORDERED, that pursuant to N.H. Admin. R., Puc 203.12, Northern and Liberty shall each notify all persons desiring to be heard at this hearing by publishing a copy of this order of notice no later than February 28, 2020, in a newspaper with general circulation in those portions of the state in which they conduct natural gas operations, publication to be documented by affidavit filed with the Commission on or before March 10, 2020; and it is

FURTHER ORDERED, that consistent with N.H. Admin. R., Puc 203.17 and Puc 203.02, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a petition to intervene with copies sent to Liberty, Northern, and the Office of the Consumer Advocate, on or before March 10, 2020, such petition stating the facts demonstrating how its rights, duties, privileges, immunities, or other substantial interests may be affected by the proceeding, consistent with N.H. Admin. R., Puc 203.17; and it is

FURTHER ORDERED, that any party objecting to a petition to intervene make said objection on or before March 13, 2020.

By order of the Public Utilities Commission of New Hampshire this thirtieth day of January, 2020.



Debra A. Howland
Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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